

Doctors Direct Insurance Inc.
FEIN 06-1791609
NAIC 12843

Company Defined Items:

1. All company data is reported on a "by county" basis where required and is consistent with the ratemaking practices of Doctors Direct Insurance.
2. This is the first year of operations for Doctors Direct Insurance and therefore there are no changes to report in reserving or claim payment practices.
3. A closed claim is a claim that both is assigned a closed date and any and all payments have been made and there are zero (0) unpaid reserves for indemnity and LAE.
4. A corporate policy is coverage with a separate limit of \$1,000,000/\$3,000,000 for the corporate entity of a physician group. The coverage limit is available to the **ADDITIONAL INSURED(s)** (non-physician employees) on a shared basis per claim.
5. The base class has been defined in most recent filed rate forms as Cook County Specialty class 4.
6. No adjustments have been made to exposures for extended reporting endorsements. No extended reporting endorsements have been issued.
7. Tail factors are applied uniformly to all maturity years. Doctors Direct Insurance offers the following: 12 month ERE – 100% of actual premium in effect at policy issuance. 24 month ERE - 160% of actual premium in effect at policy issuance. 36 month ERE – 190% of actual premium in effect at policy issuance. Unlimited period – 210% of actual premium in effect at policy issuance.
8. Expense factors include: General and Other Acquisition expense 9.0%, Taxes Licenses and Fees 2.0%, Profit and contingences 5.0%
9. Other factors used in establishing the rates included claims free credit up to 20%, Scheduled Debit and Credit plus or minus 15%, New physician credit up to 50%. Combined the credits were estimated to result in an average of 18.7% credit to manual rates.
10. As a startup company in its second year of operations with little claims data, reserving assumptions were made on the basis of industry comparisons to startup companies writing medical malpractice insurance. Reserves were deemed adequate for 2008 based on a net earned premium loss and LAE ratio of 70%.

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Reconciliation:

The reported amounts for paid losses filed in the (C-5)(1) and the premium, payment and reserve information in the (C-5)(2) Reserve Study reports reconcile to the paid losses in Schedule P of the amended 2008 Annual Statement. An amendment was filed for an error in including accident year 2007 payments with accident year 2008. The amounts in the (C-5)(2)(a) Surplus Study reconcile to Capital and Surplus section of page 4 of the 2008 Annual Statement.

I certify that the data filed under these requirements is accurate to the best of my knowledge and reasonably reconciles with the most recently filed annual statutory financial statement, as described in the preceding paragraph.

Jeffrey B. Strand, President
Doctors Direct Insurance Inc